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CONTENTS

INTER-AMERICAN AFFAIRS

Cartagena Consensus Experts Meet in Uruguay *[EFE]* 1

CARIBBEAN

Other Countries

Haiti

Opposition Leader Seeks Refuge in Embassy *[AFP]* 2

CENTRAL AMERICA

Nicaragua

Ortega, Senator Dole Speak in Managua 3
Daniel Ortega Speaks to Student Conference 5
President Ortega on Economic Measures 8

SOUTH AMERICA

Argentina

Asylum Granted to Haiti's Sensaricq *[TELAM]* 11
Provincial PJ Leaders Targets of Bombs *[NOTICIAS ARGENTINAS]* 11
Police Seize Weapons Cache, Arrest 2 *[TELAM]* 11

Chile

Right Considers Pinochet's Candidacy *[CAUCE 17-23 Aug]* 11

Colombia

Barco Speaks on Venezuela, Public Order 12
Londono Says Tension 'Decreasing' 14
New ELN Splinter Group Emerges *[EL TIEMPO 25 Aug]* 14

Paraguay

Resolution Banning EL PUEBLO Released 14
Permission To Publish Denied 15
Opposition Leaders Hold Rally *[AFP]* 15
Police Chief Justifies Strong Action *[HOY 30 Aug]* 15

Peru

Garcia Discusses Bank Nationalization 16
Romero Resigns Over Nationalization *[AFP]* 23
State Enterprise President Killed *[AFP]* 23
Mass Grave Reported in Upper Huallaga *[EL DIARIO DE MARKA 27 Aug]* 23

Cartagena Consensus Experts Meet in Uruguay
PY311903 Madrid EFE in Spanish 0723 GMT 29 Aug 87

[By Alberto Pepe Leira]

[Text] Montevideo, 29 Aug (EFE) — The 11 most-indebted Latin American countries are striving to establish the real value of their foreign debt and reap benefits from the differences between the nominal value of the foreign debt which, at the international level, is worth between 25 and 55 percent less than its contracted value in keeping with the so-called "country risk" concept.

According to financial reports available to EFE, the Uruguayan foreign debt, which totals about $5.5 billion, currently enjoys the best rate. It has been rated at 75 percent of its value.

Part of the Uruguayan foreign debt, some 60 to 65 percent of its nominal value, was acquired by important financial groups during the period of the "de facto" government (1973-1984).

The Peruvian foreign debt has been valued at 45 percent of its nominal value and it is the debt with the lowest rate in the international market.

Uruguayan Carlos Perez del Castillo, president of the Cartagena Consensus experts meeting held in Montevideo, said that "until now debtor countries have not been able to take advantage of this difference."

He added that "the subject has been discussed and we believe that there are certain possibilities and signs from outside the region that will allow the Cartagena Consensus to have more room for negotiations and for exposing certain objectives and measures in this regard."

He said that "it will surely be one of the subjects we will raise before the IMF and the World Bank in the future."

According to experts who attended the Montevideo meeting, the recommendations have not been officially disclosed "because the respective foreign ministers must be duly informed first."

Although the main objective of the Cartagena Consensus is to "establish" the real value of the foreign debt with the purpose of allowing a more just servicing of it, the experts will also discuss interest rates.

Reliable sources have informed EFE that experts agree on "establishing" a "top interest rate" if they surpass normal limits.

The meeting has recommended to the ministers the minimum and maximum percentages on which a common front can be established.

Perez del Castillo said that "we have achieved progress on specific proposals concerning several issues, so much so that in the future we may be abel to make proposals on interest rates and trade."

In a statement addressed to foreign ministers, experts make specific proposals on the Uruguayan Round of GATT negotiations being held in Geneva.

The Cartagena Consensus is concerned about subsidies and safeguard measures. There is also "concern" about some GATT articles which experts have noted "are not in keeping with the legitimate interests" of Latin America.

The Cartagena Consensus is made up of Argentina, Brazil, Bolivia, Colombia, Chile, Ecuador, Mexico, Peru, the Dominican Republic, Venezuela, and Uruguay. These countries total 90 percent of the Latin American foreign debt.

The Latin American foreign debt totals one-third of the debt that has been contracted by developing countries. According to European sources it totals $393 billion while U.S. sources say it totals $420 billion.

The foreign ministers who could adopt the political measures that have been recommended by the experts have not yet established the date of their meeting.

Some sources have noted that this meeting may coincide with the meeting that the foreign ministers of the Group of Eight — Argentina, Brazil, Peru, Uruguay, Colombia, Venezuela, Panama and Mexico — are scheduled to hold before the presidential "summit" scheduled by the end of November in Mexico city.

Other Countries

Haiti

Opposition Leader Seeks Refuge in Embassy
312033 Paris AFP in Spanish 1927 GMT 31 Aug 87

[Text] Port-au-prince, 31 Aug (AFP) — It was learned here from a well-informed source that Bernard Sansaricq, president of the Haitian National People's Party [Partido Popular Nacional Haitiano — PPNH] — which opposes the National Council of Governmment [CNG] — who has been sought by military authorities since 3 August, took refuge at the Argentine Embassy in this capital.

Sansaricq, who has been a long-time opponent of the Duvalierist regime and the CNG, is accused of having hurled grenades and fired automatic weapons at a magistrate and a group of soldiers on 3 August in the outskirts of Jeremie.

The magistrate was about to raid a hotel where Sansaricq and other party members were staying after receiving reports Sansaricq was recruiting people to carry out violent actions against the CNG.

Sansaricq later denied those charges in a recording sent to the press. He said soldiers accompanying the magistrate tried to murder him since he had documents that could hurt government officials.

Those documents reportedly pertain to a massacre involving part of his family in 1964. The trial of those accused of the massacre was to have started on 3 August in Jeremie.

Nicaragua

Ortega, Senator Dole Speak in Managua

PA312344 Managua Radio Sandino in Spanish 1944 GMT 31 Aug 87

["News conference" by President Daniel Ortega and U.S. Senator Robert Dole at the Cesar Augusto Silva Convention Center in Managua — live with passage-by-passage translation into English and Spanish; Dole comments are indistinct and are translated from interpreter's version; broadcast in progress]

[Text] [Interpreter in English] ...to Central America to talk among ourselves [words indistinct] Central America to solve our problems.

[Ortega] Allow us to build our democracy. Do not come here to give us lessons in democracy, because we are not going to give you lessons in democracy. How many of you ever worried about democracy in Nicaragua before, when Somoza was in power? How many Republican senators and representatives worried about democracy when Somoza was in power? How many of them worried about ousting Somoza to have democracy in Nicaragua?

Instead, you are giving weapons to criminals like Bermudez, who was a Somozist guardsman. He was a colonel in Somoza's National Guard. Money and weapons are given to these criminals to murder the Nicaraguan people and violate these people's rights.

The most constructive thing the United States could do is to leave the Central Americans alone and to respect us. [Announcer interrupts for 3 seconds for program identification]

[Ortega] [Words indistinct] to visit the headquarters of the political parties [words indistinct] in Managua. [passage indistinct]

You may talk with the owners of the newspaper *La Prensa*. They may talk freely [words indistinct]. They are free to express themselves. [1-second station break] When the U.S. Government decides to abide by the ICJ ruling and stops attacking Nicaragua, everything will return to normal in Nicaragua.

[Dole] Let me make it clear, this guy speaks for all six of us. We have no quarrels with the Nicaraguan people. I do not believe any of us has any quarrels with Nicaragua. [Words indistinct] going back a long time, the earthquake, everything. As you know, our bottom line is we came here for a serious discussion. We are interested in knowing whether or not you believe there can be democracy in Nicaragua with freedom of speech, freedom of religion, freedom of travel, and all the freedoms any country may have — any other country not dominated by the Communists.

[Ortega] If you would stay longer in our country, as I said, you would be able to see the democracy we have in Nicaragua. The problem is that you are not staying long enough. [Words indistinct] we have our fears. I am speaking frankly. From the moment you left the United States, making that letter public, that created a situation that is not the most favorable for talks. The situation was turned into a propaganda war against Nicaragua. Then, you only come for a few hours. Therefore, I think the senator is only coming here to return to the United States and say: I talked with Ortega. I toured Nicaragua. I talked with the (?opposition), and I became convinced that it is a communist and totalitarian regime and that, consequently, we must continue to support the contras.

Many senators and congressmen have done this. They are not familiar with the people, they do not talk with the people. They only come here to touch base, to be able to say: We have been to Nicaragua and we can speak with authority. It is hoped you are acting constructively and are seriously interested in achieving peace in Central America and relations between the United States and Nicaragua will normalize. We are nonaligned. We seek relations with all the countries of the world. We want to have good relations with the United States, yet we also want to have relations with the Soviet Union, France, Spain, or any country in the world. This depends on the United States, however. The United States has not been willing to listen to Nicaragua or give Nicaragua a chance. A bilateral dialogue between the United States and Nicaragua is therefore important. While we Central American people make efforts to comply with the Guatemala agreements, a dialogue between the United States and Nicaragua is important so as to not keep adding fuel to the fire. You can contribute a great deal to this.

[Dole] Senators Cochran, McCain, and Symms are three Republicans who are going to be part of an observers' group. Senator Byrd, has named Senator Dodd, Senator Stafford, and Senator Sanford. The observers' group will be formed by six senators plus myself and Senator Byrd. Our primary purpose is to see if we can play some positive role, a positive bipartisan role, to monitor and observe the events connected with the 7 August agreement. We do not seek confrontation. But if the agreement fails, say by November 7, then there will be an effort in Congress to continue financing the contras. Hopefully, that request will have been made by the President by October 1. But between October 1 and November 7, there will only be humanitarian aid. And then, if all efforts fail, then military aid would continue. The reason for it would be that there are U.S. interests at stake in Central America. That would not be due to Commander Ortega, but the Soviet threat, which is a matter of great concern for us.

[Ortega] There is no Soviet threat in Nicaragua. If we were members of the Warsaw Pact, the United States would surely treat with us with great care. They would not conduct this type of policy, because then they would be facing a big power. However, because they know we are on our own, that we are a small country that defends its right for self-determination and independence, they conduct this erroneous policy that only brings suffering to the Nicaraguan people. If President Reagan really

wanted to contribute to peace in Central America, he would immediately suspend all military and logistic support for the mercenary forces. He would also encourage them to accept the Nicaraguan amnesty law. Many have already done so. They are here with all their rights. But as long as we Central American people have to negotiate with a gun at our head and are told if you do not agree between yourselves, we will keep supporting the mercenaries, this does not contribute to peace.

[Dole] [Words indistinct] by 7 November, which specific step [words indistinct].

[Ortega] You may rest assured the document we signed in Guatemala agrees with the basic principles of our democracy and with the basic principles of our revolution. Therefore, during the 90-day period and after the 90-day period, depending on the U.S. attitude, there may be normalcy in Nicaragua, *La Prensa* may be publishing again, and the restrictions of the state of emergency may be already lifted. However, this depends on the U.S. Government, because it is Congress that provides the financing for the flights that continue to arrive with supplies for the mercenaries. This is the firewood that keeps the fire burning every day [6-second interruption in transmission] favorable to detente and peace.

Of course, the best thing would be if the U.S. President, respecting the Guatemala agreements, would say today: I am cutting off all assistance to the mercenaries, to the contras, to the freedom fighters, as he calls them, and urge them to [word indistinct] Nicaragua. In these circumstances, everything can be speeded up, and, instead of in 90 days, the problem can be resolved much sooner.

[Dole] We regret this meeting began in an atmosphere of confrontation. This was not our desire when we came.

[Ortega] I know. Before you left the United States [words indistinct] *Miami Herald.*

[Dole] [Words indistinct] (?That is) true. We came with the hope of holding a serious discussion on the 7 August agreements, and I want to assure you that our President and the U.S. people hope the Guatemala City agreement will be successful.

We want peace in Central America as much as you do. I feel the path to peace is strict adherence to the Guatemala City agreement, and I hope that you and your government will carefully monitor the implementation of the agreement and that you will inform us about what progress is made in Nicaragua and the whole Central American region (?while) we tread this very difficult path toward peace in Central America.

[Ortega] We also think this is a serious, [word indistinct] meeting.

[Dole] Would you consider this to be a serious meeting?

[Ortega] Yes, we think the journalists are also serious, and I do not think the fact that journalists are present detracts from the seriousness of the meeting. I think that, on the contrary, this confirms to what we are doing before witnesses, who are these journalists.

[Dole] It does not bother us. What are the commitments that [words indistinct]?

[Ortega] Well, you are saying you are interested in peace in Central America and you are interested in abiding by the Guatemala agreements. We hope you will continue [words indistinct], particularly on arrival in the United States, and you will not return to the United States and say: I was in Nicaragua and was convinced that [word indistinct] a totalitarian regime because I talked with Daniel Ortega and with the opposition, and we therefore must continue supporting the contras. If you arrive there saying this, well, this would not have anything to do with what we are saying here.

Now then, if you asked me for a private meeting and sent me a private note to hold this meeting so [words indistinct] a private meeting and [words indistinct] talk with the journalists we would have talked with the journalists. However, you sent me a public note through the *Miami Herald.* So, it is fair that we discuss this topic in front of the journalists because you began the contact through a newspaper.

Now, do you think it is democratic to meet there behind closed doors and then come out and say what went on inside?

[Dole] (?Perhaps) we can work it out right here.

[Ortega, laughing] That would be the best thing, perhaps.

[Dole] May I ask you this? We are not signatories to the Guatemala agreement. The United States is not a party to the agreement because this is an agreement among the five Central American countries. The way I understand it, the meaning of the agreement as far as the United States is concerned [15-second break in transmission]. Yes, there is compliance and all assistance to any insurgent or contra group [word indistinct] in any of the five countries that [words indistinct]. I am asking if this would include assistance to the Nicaraguan Government from the Soviet Union.

[Ortega] The agreement is subject to simultaneity. This means the Central American governments are compelled to fulfill the agreement within 90 days, as long as all of the necessary elements exist. If any of the Central American governments finds that it lacks a necessary element, it can say it is not obliged to fulfill the agreement.

The Central American governments have 90 days to take all of the steps they consider advantageous, but they are not compelled to wait 90 days to do this. Each country is free to contribute to the peace process within 90 days. The obligation is to do this within 90 days, as long as all of the necessary elements are present. An international verification commission comprised of the Contadora and Support Groups, the United Nations, and the OAS will verify whether all of the elements exist.

The issues of arms, military advisers, military maneuvers with foreign forces, military bases, and anything regarding a foreign military presence and weapons will be handled separately. In other words, these issues will not be linked to the entire agreement, but they will be broached under the guidance of the Contadora and Support Groups. It is here that the Central American governments will discuss arms limitations and the issue of foreign military bases and advisers. Nicaragua is willing to sign agreements with the Central American governments and the United States so the Central American region can be completely free of all foreign military presence — so it can be a neutral zone.

[Dole] How can a cease-fire be arranged with the contras?

[Ortega] That is easy — if the President of the United States immediately ceases giving support to the contras and he calls upon the contras to take advantage of the amnesty. We have all of the mechanisms ready to implement this. The National Reconciliation Commission has been formed, and it will verify whether the amnesty is fulfilled. The international commission has a similar mission. There are two commissions — the national and international commissions — that will verify and follow up the fulfillment of the agreement. That is why I say if the U.S. Government immediately changes its policy, it is possible that instead of in 90 days the situation could be resolved within 60 days. The problem would be solved quickly.

[Dole] I hope you will allow me another question. I know we are running out of time. Thanks for meeting with us. How do you plan to establish peace and liberty simultaneously in Nicaragua?

[Ortega] You would have to stay in Nicaragua for 2 days and really visit our country.

[Unidentified speaker] He says that some of them will be returning.

[Ortega] That way you will be able to see for yourself whether freedom really exists in Nicaragua. What happens is many in the United States ignore our true situation and honestly believe there is no freedom in Nicaragua, because they believe wherever there is revolution there is no liberty, and they forget the United States is the result of a revolution. Unfortunately, this has been forgotten; it is the past. This is why it is good that they come here and see there is freedom. We have restrictions, but the restrictions will end the moment the aggression ends.

[Dole] We thank you very much, Mr President. I think there will be some differences. You may not agree, but there are U.S. interests at stake, although we do respect regional methods. I think what may have been important to the region is the President Reagan-House Speaker Wright agreement. The whole idea behind that is to give peace and liberty a chance in Central America.

So we very much appreciate having had the opportunity to visit here. These three senators will spend more time in Central America.

[Ortega] It would be good if you could come to Nicaragua for a longer stay so you could go anywhere you want and talk with whomever you want. That way you would get to know what is really happening in Nicaragua. So I invite you to return to Nicaragua when you have more time.

Daniel Ortega Speaks to Student Conference

PA302245 Managua Domestic Service in Spanish 0213 GMT 30 Aug 87

["Excerpts" of speech by President Daniel Ortega Saavedra during a "Face the People" program held during the closing ceremony of the 11th Union of Nicaraguan Students Conference at the Olof Palme Convention Center in Managua on 29 August, 1987 — recorded]

[Excerpts] We have held this meeting today, which as always has been rich with critical elements and contributions that emerge from the rank and file of our people.

As you already heard, the proposals and recommendations prepared this afternoon are the result of the discussions conducted at the rank and file level. Therefore, they reflect the ideas and concerns of the thousands of higher education students in Nicaragua, which you have expressed at this Congress. [passage omitted]

The issues presented here are ones of constant concern to students of higher education, principals, and university professors. These issues also concern the revolutionary government and the FSLN National Directorate because they are part of the overall problems that exist in the various sectors of Nicaraguan society. You have correctly pointed out some issues: We are waging a war, we have problems, but, and this is the question, what can we do and what should we do under these conditions? It is not a case of unrealistic proposals, but rather of realistic ones.

When you insist on the need to have greater links with the [words indistinct] of higher education, professors and doctors, and everyone involved in higher education, and when you demand the contact of the aforementioned groups with the institutional apparatus of the Nicaraguan state, you are making demands that are possible. That is, these demands are not incompatible with economic possibilities. Some efforts have been made, and in some cases we have obtained results with a minimum of communication and exchange, which is already an accomplishment. However, we believe it is necessary to specifically link state efforts with students, who will have to occupy a place in society as technicians and professionals.

Honestly, our higher education is limited for well-known reasons. We inherited a totally restricted higher education system that was inaccessible to the Nicaraguan people. The human and economic resources we have had since the triumph of the revolution have been and continue to be very limited. Nevertheless, the imagination and creativeness of the revolution have made many things possible that would have been impossible under

other circumstances. As it was possible to conduct a literacy campaign in Nicaragua — which would have been impossible if there not been a revolution — it has also been somewhat possible to open up the universities to the people. I say somewhat because, although our desire is to let all Nicaraguan youths attend the university if they are ready, under the appropriate conditions, it is not possible because we have financial and manpower limitations.

This has to do with the proposals made by the Sandinist people's revolution right after the triumph of the revolution when we thought many problems could be solved on a short-term basis. Our plans and goals were not realistic. However, we wanted to take care of the people's health, education, and housing problems. We also wanted to increase productivity in state enterprises, we wanted to carry out agrarian reforms, and we wanted to do many other things that led us to implement educational programs that did not correspond to our resources. Careers in higher education were not within our resources. We cannot rely on sustained outside resources that can guarantee us the type of higher education we planned after the revolution's triumph.

Maybe if we had foreseen all this and if we had foreseen the war, we would not have done many things. We would not have started such a large investment plan. We would not have accepted so easily the type of cooperation that imposed demands we could not meet. For example — and this could happen in any sector — a solidarity group, a government or private organization wanting to help Nicaragua, builds a hospital. However, a hospital is not just the building itself; a hospital needs medical equipment, doctors, technicians, laboratory personnel, and nurses. Where do we get the necessary resources? However, if they offer us hospitals with doctors, nurses, operating rooms, and other equipment, it would be a different story. If we have a hospital with doctors and nurses, but no equipment, the hospital is useless.

We are stretching out our investments that are burdensome because we are in a war that limits our resources. A similar thing has happened in the education sector. Perhaps it may be more practical to make reforms in some areas and just wait a few years. We can try raising the educational level of our elementary schools, high schools, and universities. We can try to improve our teaching and increase our material resources.

Those programs are feasible if we decide to carry out education reforms that can be attained by a country not at war; a country with the necessary resources to carry out these reforms; a country that can guarantee good school rooms so the students do not have to be packed into a single room; a country that can afford to have laboratories, libraries, desks, transportation, food, and clothes for its students. [passage omitted]

The first step would be to seek a practical integration between higher education and government sectors. This is something we have been stating since the very beginning of our revolutionary process, but how much progress have we attained? Very little. The pressure exerted on Nicaraguan society by our country's investment policy — because the investment policy is very large — has created instability. One of the most destabilized sectors in the country has been the higher education sector. Skilled sectors have been taken... [corrects himself] have been lured by state-owned enterprises or central organizations within the government.

Production enterprises and the critical service enterprises — such as energy and water — have specialized cadres. Of course, the demand is so large and the supply is so limited, we have the same problem we have with the supply of basic products and goods. The situation is similar. The demand for high tech cadres is far greater than the supply. Consequently, your demand to effectively connect government structures with higher education is correct. [passage omitted]

I believe these meetings involving university professors, rectors, and students leaders with the revolutionary cabinet have resulted in more proposals. These need to be better defined by first listing the qualified personnel currently working in each company and government institution. We need to know what their skills are; how we can match these personnel with the various university careers; and what practical mechanisms could be used there [words indistinct].

Students could visit the companies or government institutions; these could be their laboratories. They could practice there and increase their knowledge. Also, the ministers themselves could spend a few hours each month at the university, because we are concerned — and you also reflect this concern — when dogmatism is mentioned. Dogmatism results when there is no practical experience; when there is only theoretical discussion and experimentation. [passage omitted]

We must first consider the circumstances of a nation waging a revolution, the international relationship of forces, and the behavior of a military power called the United States of America — which is used to interfering, dominating, and invading our homeland in order to impose governments and murder our people. This is where the revolution emphasizes the need to creatively implement a revolutionary process that advocates political pluralism, a mixed economy, and nonalignment. When we mention this we are speaking seriously. When we talk about political pluralism, a mixed economy, and nonalignment we are serious. However, we talk about political pluralism and a mixed economy within a social regime where the fundamental strength lies with the people's strength; where the fundamental strength lies with the workers and peasants; where all the efforts are aimed at boosting that fundamenal strength; where the private sector plays a great role and exerts itself to support that fundamental strength.

This might seem a contradiction, that it is difficult to implement because the private sector, the great private sector, which remained in our country after Somoza, has

its own interests, its own production goals, and continually clashes with the revolution's goals. However, the revolution is going to organize and regulate the private sector, to justify the existence of the private sector. The government has ways to regulate, organize, and redistribute the private sector's riches to benefit the fundamental forces and interests of the revolution.

This also provides a poltical opening to the [word indistinct] and beliefs of this private sector — which can assume different political viewpoints. The private sector can accept — from the economic viewpoint — the norms, laws, and regulations imposed by the revolutionary process. The private sector also has its own political opening. This political opening has become a challenge for those who really want to strengthen our revolutionary process; to wage a political and ideological battle under conditions in which the private sector can have the chance to express itself. We have the obligation of waging that political and ideological battle with that sector. That sector is trying to lure the population with speechs and unacceptable conditions. The revolution struggles to attain [words indistinct] the people's strength.

Within this context, our education project allows an opportunity for politial pluralism; consequently it allows a political-ideological struggle.

Our support for state and private education and religious education within private education does not imply that our education is not strong; on the contrary, it puts it to the test.

We must keep in mind that in Nicaragua education is used by our enemies to spread their thoughts and ideologies in primary, secondary, and university students. Some people even use religion to establish a counterrevolutionary ideological position, because our main struggle revolves around the preservation, strengthening, and development of the fundamental forces of the revolution.

This development and strenghtening takes place from political-ideological and material standpoints. That is where it is evident. We may have made many mistakes and we could be making many economic and other kinds of mistakes, but the truth is in practice the revolution's economic and military strength is clear.

We claim the revolution's economic strength is clear, not because we have abundant economic resources or boast a high economic growth, but because we have been able, and continue to be able, to resist imperialist aggression, which has resorted to all sorts of mechanisms to destroy our revolution. There has been a direct U.S. economic embargo against Nicaragua, and economic pressure has been applied on international organizations to not help Nicaragua. There has been pressure applied on Latin American and European governments and governments from other parts of the world to not help Nicaragua. There have been defamation campaigns, mercenary forces, CIA agents, and U.S. soldiers and officers used against Nicaragua. There have been foreign officers used in the terrorist and criminal policy and in the interventionist war against Nicaragua.

The results of this are obvious. The U.S. Government has dreamed, and Reagan still dreams, about the collapse of the Nicaraguan economy. It cannot be denied that the Nicaraguan economy has been seriously hurt and continues to be seriously hurt. However, the people's strength, awareness, and ideology is greater than imperialistic aggressiveness.

Had it not been for the fact that Nicaraguan workers, laborers, peasants, and the thousands of small and medium rural producers have patriotic feelings and a revolutionary ideology, the Nicaraguan economy would have completely collapsed a long time ago and Reagan's interventionist plans would have succeeded.

Had it not been for this, there wouldn't have been any soldiers fighting the mercenaries as the Nicaraguan Army soldiers, Interior Ministry comrades, militiamen, reservists, cooperative peasants, and students in the Patriotic Military Service are doing.

Had it not been for this strength, awareness, and revolutionary ideology, surely Reagan would have won these battles who knows how many years ago.

Experience shows this battle, which has had a high cost for Nicaraguans, their economy, and their security, continues to be won by the Nicaraguan people. This is what [words indistinct].

When we speak of a revolutionary plan that involves a mixed economy, political pluralism, and nonalignment, we are speaking of a revolution with certain circumstances and a certain historical place and we have to look at this historical reality. We cannot become dogmatic. We cannot think that because there is a revolution in Nicaragua we have to do everything that other revolutions did somewhere else in the world under other circumstances.

Everytime it is proven revolutions have to respond to their own conditions and situations. This does not deny the authenticity of a revolutionary process. The fact is we are defending a revolutionary project with a mixed economy and political pluralism does not deny the value and strength of our revolution.

One must look at where Nicaragua is located. It is in the center of the continent. It is a place where there are always men who think in a thousand different ways. We cannot move Nicaragua and isolate it from this reality. We cannot say let us do what we feel is most suitable. We cannot say let us eliminate political pluralism and the mixed economy. On the contrary, aside from our desire and the will of those who are identified with the Sandinist people's revolution, there are other sectors of the population who are here. They are not leaving. They may have a different way of thinking or may view the

situation differently. They are thinking quietly. They express their thoughts quietly. They may express these thoughts openly when we have a political opening to do so. We believe that it is better for them to have the opportunity to express their thoughts openly because it prompts, openly and directly, a political-ideological battle against this thought that, regardless of our will, would be there anyhow. It would not disappear if there was no political pluralism. The thought would still be there. The concern would still be there. The thought of those who promote the counterrevolutionary ideology would still be there. They would seek a way to transmit that thought. Those who, without dominating the revolutionary thought and understanding the revolutionary process because of their ignorance and backwardness, would still be immersed in doubts and concerns. So, it is better to openly confront those who are trying to confuse and misguide the people. They should be given the chance to speak and to have the opportunity to fight that political-ideological struggle. We should take the initiative in [words indistinct] in that political-ideological struggle.

President Ortega on Economic Measures

PA310620 Managua Domestic Service in Spanish 0205 GMT 31 Aug 87

[Speech by President Daniel Ortega Saavedra during a "Face the People" program held during the closing ceremony of the 11th Union of Nicaraguan Students conference at the Olof Palme Convention Center in Managua on 29 August — recorded]

[Text] The war situation has placed us in a doubly serious economic situation. Doubly serious because we have the economic problems that Nicaragua would have regardless of whether or not there was a war, like all developing countries face, and we also have the direct effect of the indirect impact of the war that means serious costs to the Nicaraguan economy. This is why we speak of a subsistence economy. A subsistence economy. [repeats himself] This means guaranteeing resources for the revolution's defensive and productive systems without giving up our health and education programs.

Once this is secured, we, by securing the productive system and the revolution's military defense, and ensuring as much as possible health and education programs, and other programs... [changes thought] We are not renouncing, we are not renouncing projects that the revolution carries out fairly, but the economic situation is so serious that we have to speak of a subsistence economy. This year's deficit is about $200 million. We do not have this sort of money. We do not have the foreign support to meet this demand. Nor do we have sufficient resources to maintain our hospitals; to enable the operating rooms to function; to enable all the wards to function. We have such a situation at the hospital in Granada. It is a hospital that is in such a deteriorated condition that we are going to have to abandon it and find some other place to keep the patients. We need these resources for food programs for the Nicaraguan people; to enable us to import oil, grains, and basic goods that we do not produce domestically. This $200 milllion could be obtained through foreign cooperation; be it through lines of credit or loans. We have foreign cooperation but this does not cover basic demands, minimum demands. We therefore have a subsistence economy since we still do not have the $200 million. The Health Ministry will have to determine how it will meet the people's heavy demands with an insufficient amount of medicine.

We must deal with the situation experienced by a city like Managua that does not have enough garbage trucks. This frequently causes disease. This can be a source for disease. However, we do not have the money to import those garbage trucks nor do we have lines of credit available to purchase those garbage trucks.

We must also realize that our roads, the roads in the northern sector of the country that have been damaged by the rains, will not all be repaired in time to get our crops out of the area. Why? Because we have problems with spare parts, machinery, equipment, and tires. We have a series of economic problems that are not the result of economic mismanagement. These problems are the result of the war, of the aggression experienced by our country. We have to use huge amounts of money to guarantee the military defense of the revolution. That is why we speak of a survival economy. In view of this situation, we will have to strive to get our coffee, bean, sorghum, corn, basic grain, and perishable crops out of that area. We must strive to increase our industrial production despite our present conditions. We are dealing with industry that does not always have the necessary raw materials to operate; industry that faces power outages that causes halts in production; industry that cannot get spare parts and has to stop its machines. We must work, struggle, and study under these conditions. Despite our heavy economic burden caused by the serious economic problems that we have, we continue to request at the international level, from friendly countries, brother countries, help to confront our problems. We have asked them to help us so that we can improve our health system, our system for supplying basic goods to our people. We have asked for more foreign aid.

However, we are now faced with another problem. We are facing another problem that you have already heard about. The problem is getting our oil supply. This is not a new problem for us. Nicaragua is not an oil producing country. Our energy sources are found in our waters and volcanoes. We have our hydroelectric projects and our geothermic projects. However, these projects take time and to become self-sufficient with our hydroelectric and geothermic plants we will have to wait many years. Meanwhile, we continue to work on our geothermic projects. Our Monotombo geothermic plant is already operational. We are also working on our hydroelectric projects and we are trying to expand that network with the Asturias project — this is a huge project. However, all this is not enough. We need oil and we do not produce oil. We have to call on the brother countries, countries in solidarity with Nicaragua, countries that have said they are interested in supporting the Nicaraguan revolution.

We are currently under pressure because we have not been able to ensure our supply of oil for the rest of the year. This has forced us to adopt certain measures.

The USSR, Nicaragua's main oil supplier, has already delivered its oil quota. The USSR has already delivered 300,000 tons of oil. However, Nicaragua uses 765,000 tons of oil each year. Since we knew we were having some problems in finding the oil we needed, we adjusted our plans and decided to work with 750,000 tons of oil instead of 765,000 tons. The USSR supplies us with 300,000 tons of the 750,000 tons we need — almost 45 percent of the oil we use. This means that the USSR is supplying us with almost 50 percent of the oil we use, but we still need 450,000 tons of oil.

Other countries also supply us with oil. We also get oil from the GDR; they gave us 90,000 tons of oil. Cuba gave us 60,000 tons of oil. We got oil from Bulgaria; they gave us 38,000 tons of oil. We got oil from Poland; they gave us 30,000 tons of oil. We got oil from Hungary; they gave us 10,000 tons of oil. These are the countries that delivered oil to us. We began to make efforts [to attain oil]. We have been involved in extraordinary efforts in recent weeks. During the course of these extraordinary efforts, in a truly exemplary gesture that is in line with the remarks made by Comrade Raul Castro when he visited Nicaragua in the times of the floods — he came here with a Cuban brigade to help us after the floods; Raul said that the Cuban people were willing to share their food with the Nicaraguan people — Comrade Fidel Castro recently delivered to us another 40,000 tons of oil. In other words, Cuba has given us a total of 100,000 tons of oil this year. [applause]

Under these conditions, we find that we still need 153,000 tons of oil. We continue to make efforts and we trust there will be a response. We want to stress that the Soviet Union has given us material support that is vital and substantive for the Nicaraguan revolution. It was given without any conditions.

Just as the Soviet Union has delivered 300,000 tons of oil this year, it has also given us approximately $350 million in credit lines with very easy terms.

The rifles wielded by our soldiers, those rifles we have used and are still using to defend ourselves from the imperialist aggression, are weapons made by Soviet workers and delivered by the Soviet people to the Nicaraguan people. [applause]

We clearly state this because certain international media have tried to manipulate Nicaragua's oil supply problem stating the Soviet Union is not fulfilling its oil commitments to Nicaragua. They are saying that the Soviet Union is no longer delivering oil to Nicaragua in an effort to give the impression that the Soviet Union is not willing to continue aiding Nicaragua. We know perfectly well that the Soviet Union, without any conditions and respecting our revolutionary process that includes political pluralism, a mixed economy, and nonalignment, has given us, is giving us, and will continue to give us its invaluable and generous solidarity. [applause]

However, we are compelled to implement restrictive fuel and energy measures. We must take restrictive measures. We are not talking about savings measures because it is not a matter of saving. He who can save, saves. There is nothing to save. It is a matter of restrictions.

He who, at a given moment, can buy three pairs of shoes per year and all of a sudden does not have enough money to buy them says: I am going to wear only one pair per year. Then, he is saving. However, when he has to go shoeless, then that is not saving. [laughter]

Therefore, we cannot talk about saving. These measures that we feel compelled to implement regarding the use of fuel do not mean that we are saving. They are a matter of further affecting activities that are vital to our people.

However, we are basically guaranteeing that the ground, air, and naval transportation of our EPS and Interior Ministry fighters will not lack a single drop of oil. [applause] Fuel may be lacking here, and, in an extreme case, students would have to walk to the university, but we cannot permit our fighters to go without fuel. [applause]

Because of this oil situation, certain producers who are not too patriotic have already began some rumors that there will be no fuel, lubricants, oil, or diesel for production. Consequently, one should not produce, they claim. Well, we can assure that just as we will guarantee fuel for the military defense of the revolution, we will also guarantee fuel to those who are truly producing. We will guarantee it. [applause]

In other words, we are going to guarantee oil, diesel, gasoline, grease, and lubricants to agricultural sector producers. We are also going to guarantee energy, diesel, fuel, grease, and lubricants for vital industrial sectors. We are going to make an effort to also guarantee fuel for the health sector. Other sectors may be somewhat affected. For this reason, we are saying this is not a savings but a restriction that is necessary, essential, and basic for our people.

Therefore, to make these restrictions effective in the government...[changes thought] There are over 80,000 workers, 53,000 are health workers and teachers. This means that 21,000 work for the central apparatus, what is referred to as the central bureaucracy, without succumbing to bureaucratism [burocratismo]. We fight bureaucratism.

Of these 21,000 workers, we are truly referring to 21,000 positions. Of this amount there are 4,000 job vacancies. They are positions but they are vacant. For whatever reason, they are vacant.

Consequently, an immediate measure we are taking is to eliminate these 4,000 vacancies. They will disappear and each institution will see how it can adjust its personnel now that these 4,000 vacancies will not exist.

This has an impact. These restrictive measures to better deal with the situation do have an impact. One of these measures concerns the reduction of the amount per

[gasoline ration] coupon. The current amount per coupon is 19 gallons. This is being reduced by 2 gallons. This means the quantity will be 17 gallons. We are going from 19 to 17 gallons. In addition, all institutions are cutting back oil consumption by 11 percent. Other measures concern the price of gasoline and diesel and an increase in the fare for inter-city freight transportation. We will not increase urban transportation fares. It is subsidized transportation and will remain so. These are the main measures. There will be other measures implemented within various institutions.

Another measure we took is that on Saturday — we will try other alternatives, but for the time being Saturday — we will suspend activities. The central government will suspend its activities on Saturdays because this reduces the demand on transportation on Saturdays.

These are the main measures we took to face this problem we have regarding the oil supply. However, we continue to make efforts, as we already explained. We are certain the problem will be solved in the end. However, we are compelled to take these measures because we are fighting a war and the fighters must be mobilized. We have an economy and it needs tractors, planes to fumigate, and cargo and passenger transportation and these must be guaranteed. It is with this logic that we have taken these steps.

The U.S. Government has dreamt, and Reagan still dreams, about the collapse of the Nicaraguan economy. It cannot be denied that the Nicaraguan economy has been seriously hurt and continues to be seriously hurt. However, the people's strength, awareness, and ideology is greater than imperialistic aggressiveness. Had it not been for this strength, awareness, and revolutionary ideology, surely Reagan would have won these battles who knows how many years ago.

Experience shows that this battle, which has had a high cost for Nicaraguans, their economy, and their security, continues to be won by the Nicaraguan people. This is what has been proven. Free fatherland or death! [applause]

Argentina

Asylum Granted to Haiti's Sensaricq

PY312304 Buenos Aires TELAM in Spanish 2205 GMT 31 Aug 87

[Text] Buenos Aires, 31 Aug (TELAM) — The Argentine Government today granted asylum to Bernard Sensaricq, president of the Haitian Popular National Party, which opposes the council headed by Henry Namphy. Namphy has governed the country since the overthrow of Francois Duvalier in February 1986.

The Foreign Ministry officially reported today that Sensaricq, who is being sought by the Haitian military, sought refuge in the Argentine Embassy in Port au Prince on the night of 28 August.

Argentine authorities have informed the Haitian diplomatic representative in this city of the decision adopted by the Argentine Government. Meanwhile, the government is waiting for safe conduct in order to get the Haitian leader out of the country.

Provincial PJ Leaders Targets of Bombs

PY312227 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2000 GMT 31 Aug 87

[Text] Posadas, 31 Aug (NA) — Two explosive devices went off here today. The attacks were presumably carried out against leaders of the Justicialist Party [PJ]. The explosions caused serious damage, but there were no deaths or injuries.

The first device exploded at the front door of the home of Matilde Wilma Rhode de Yamaguchi at 633 Jujuy St. Mrs Yamaguchi is the mother of Jorge Yamaguchi, former PJ national deputy during the 1983-85 session.

The very strong explosion practically destroyed the front of the house and the windows of neighboring houses.

The second attack occurred in front of a house located at 624 Catamarca St. The device was placed under a Ford Falcon car owned by Adolfo Iberti, the owner of a small delicatessen located at the aforementioned address. The explosion broke all the shop's windows.

A Mitsubishi car was parked a few meters from the Ford Falcon. The former is owned by Vicente Arnaldo Lujan, former mayor of Posadas and PJ leader in Misiones Province.

Police believe the second attack was directed at the car of the former mayor and that the perpetrators made a mistake by putting the bomb under the shopkeeper's car.

Police Seize Weapons Cache, Arrest 2

PY010134 Buenos Aires TELAM in Spanish 1300 GMT 31 Aug 87

[Text] Mendoza, 31 Aug (TELAM) — According to local police sources Provincial Police personnel from the 22d Precinct, La Paz Department, 70 km from Mendoza, last weekend seized large-caliber arms and ammunition and arrested Roberto Carreras, 32, and Victor Sosa, 35. The men did not have permits for the guns.

Police seized revolvers, pistols, rifles of different calibers, a 44-caliber Winchester, and a lot of military type ammunition.

The police report concluded by stating that the prisoners have been placed at the disposal of the federal court in Mendoza.

Chile

Right Considers Pinochet's Candidacy

PY280126 Santiago CAUCE in Spanish 17-23 Aug 87 pp 6, 7, 8

[Report by Jose Joaquin Brunner]

[Excerpts] Until recently, it seemed impossible to discuss votes, elections, and candidates. Now, however, people are realizing that this type of discussion cannot be avoided. In the last 10 days, nearly 100 articles, interviews, and commentaries have referred directly to the elections. [passage omitted]

Plebiscite or Free Elections [subhead]

This is the first topic to be discussed. As time goes by, it becomes clear that the government is more concerned about this topic than the opposition. [passage omitted] Analysts and politicians of the right, however, are also concerned. They know that a plebiscite would favor Pinochet's ambitions to remain in power and reduce their changes of winning the elections. Until a few months ago, government supporters believed Pinochet was the regime's best candidate. Now, however, they are changing their minds. As a matter of fact, they believe that, as a candidate, Pinochet would cause people to vote for the opposition. The members of the military junta have serious reservations about his nomination. To keep him in power would be to "personalize" the regime, and destroy the regime's strongest and most durable foundations. Pinochet's image as a candidate is vulnerable, and some believe it to be unattractive. They believe his name divides the right instead of uniting it, thus giving more votes to the center. The level of his popularity is very low, and it is almost certain that any candidate of the right could surpass Pinochet's popularity level with a few months of campaigning. The names of Hernan Cubillos, Sergio Fernandez, and Sergio Onofre Jarpa are already being mentioned as possible alternatives. The three would be supported by the Armed Forces, and only Fernandez could be considered a possible follower of Pinochet.

Some non-Pinochetist supporters of the regime are suggesting a new solution: to choose, through a "democratic consensus, the name of a candidate" for the plebiscite who would offer equal guarantees to the opposition and to government supporters, and who would ensure the

transition to democracy after a short period of time, such as 4 years. Some names are being mentioned by "proponents" of this solution, which is still considered very improbable. They are Fernando Leniz and Carlos Martinez Sotomayor. [passage omitted]

Colombia

Barco Speaks on Venezuela, Public Order

PA311255 Bogota Television Service in Spanish 0200 GMT 30 Aug 87

[Speech by President Virgilio Barco Vargas; place not given — live]

[Excerpts] Fellow countrymen: Before broaching the issue of the measures taken to protect public order, I wish to speak briefly of Colombian-Venezuelan relations.

People are aware of the nature of our differences with the neighboring country regarding the exercise of our sovereignty, the tensions we experienced recently, and Colombia's response, given in accord with the principles, obligations, and guidelines of international law to prevent problems that would only affect the peoples of the two countries. The satisfactory result we have obtained is to a great extent a result of the support that the political parties, media, unions, and the people gave to the positions and decisions that had to be taken. On behalf of the government, I thank you for this patriotic and decisive collaboration.

In this difficult situation, Colombia defended its rights without doubts or hesitation, but with prudence. Colombia chose to abide by the principles of peacefully resolving international controversies and respecting public treaties. Colombia chose to follow the path that our country has traditionally chosen to resolve these matters. This is the same path we have supported in international matters, which has earned us the respect of other countries.

More than once I have invited the Colombian people to be firm, but understanding. This is the best method to resolve differences. Today, I wish to urge you to refrain from hindering the fraternal ties that unite us to the Venezuelan people. Everyone — from the industrialist who has business relations with the Venezuelan businessman, to the person who has a family member working in Venezuela — must set the correct example for those who do not share our views. This does not mean that we are giving up our rights or that we are not defending those rights properly.

The criminal episodes that have occurred in Medellin, Tolima, and Meta have heightened the sorrow that our country has experienced with the deaths of political leaders, high-ranking public officials, Supreme Court magistrates, judges, officers, soldiers, correspondents, civic leaders, professors, youths, university students, and peasants. Sorrow has overcome the families and friends of the victims of these wretched, infamous, and cowardly crimes. This sorrow has overcome the Colombian people.

When I took office I said that I would protect human rights. In other words, I said that I would protect the civil rights of the people as guaranteed in Article III of the Colombian Constitution. I said I would protect the civil rights of the Colombian people regardless of their political or religious views, race, or social status. I feel that this is the basic duty of the ruler of a democratic country; it is the constitutional duty of the authorities; and it is the moral duty of all the members of society. If human rights are not protected, you can have social groups, but you cannot have a community; you can have a government, but you cannot have democracy; you can have development, but you cannot have social advancement; you can have order, but never normalcy or peaceful coexistence.

I must repeat what I said on 20 July regarding tolerance, about taking advantage of pluralism, diversity, and disagreement to talk openly and in a civilized manner and to create a new democratic consensus. Back then I said: The use of force to silence ideas that we do not share not only causes destruction but also creates resentment. Resentment can turn to vengeance. We must tolerate others if we wish to be tolerated. Let us avoid force if we wish to live in peace. Let us listen if we wish to be heard. I shall not stop preaching tolerance until violence has been eradicated from Colombia, until the day we find the way to live in peace despite our differences.

Throughout this year of government, despite the admitted problems in the ability and efficiency of some institutional instruments, we have adopted measures aimed at protecting human rights and strengthening the area of justice. For this purpose, we created the Guillermo Cano Institute. This institute was created for the promotion and defense of human rights.

Regarding the field of justice, the government has committed itself, with firm political will, to make this field more efficient, stronger, and more active. This will be done despite the complexity of the problem, the financial limitations, and the legal and administrative problems experienced in the management of the budget. This chronic crisis, which cannot be solved in 1 day, began a long time ago.

Because of this, the government issued a decree in accord with the special powers granted in Law 52 approved in 1984. This is the new penal procedure code. The government allotted the funds to begin operations of 200 new criminal investigations courts. Efforts are currently being made to provide the judges with technical and scientific elements that will allow them to confront crime successfully. The government has undertaken the task of providing the judicial system with the financial and administrative resources that are essential for their very important work.

A long time before I took office, the country started to experience a sad and worrisome phenomenon of attacks. This situation has become more serious, and the attacks are more frequent against members of groups who have

accepted the offered amnesty and pardon. This amnesty and pardon were essential aspects of the peace process of the previous administration. However, amnesty and pardon have not halted the wave of political violence and crime. This is not the time to talk about the past, but it is the time for the people of the country to stop and think and to offer their solidarity. It is time to unite in our efforts and protect the democracy and freedom guaranteed in our Constitution.

Murdering people who choose to actively exercise their political rights rather than undermine the political efforts of certain political groups, corrodes the very foundation upon which the Colombian state was built: respect for life, human dignity, freedom of thought, and freedom of expression. [passage omitted]

The field of justice in Colombia is not sufficiently prepared or equipped to confront the challenges of such criminals. The persons responsible for investigating these crimes lack the necessary tools to identify the criminals and prevent them from committing more of their frightening crimes. Those who believe in taking justice into their own hands are mistaken. This will only unleash an endless chain of violence with serious consequences that are very easy to predict. What we must do is strengthen our institutions, those institutions responsible for the protection of the people. These institutions are: the judicial branch, the police, and the security and intelligence services. The citizens who are not easily intimidated, and who are willing to comply with their legal and civic duties, should also offer to help the authorities.

Public liberties, as established in our Constitution, are being threatened. Public liberties guarantee our right to educate our children in peace, express our views and opinions, and walk the streets without fear; in other words, it guarantees our right to live. However, this is being threatened by those who flaunt their strength and cruelty, and are eroded by those who look on with indifference on the tragedy that has yet to knock on their doors.

The biggest responsibility, though not the only one, belongs to the government, the Armed Forces, and security services. They have the constitutional duty to protect all citizens, despite their political views, whether the citizen is a liberal, conservative, communist, independent, or a Patriotic Union party member. Despite our financial limitations, new measures have been adopted that are aimed at not only solving crimes, but also strengthening our judicial system.

In addition to the decisions announced to the people in an official communique, the government has issued the following decrees:

The first decree empowers the national director of criminal investigation to appoint investigators and judges from various jurisdictions. This will be done in an attempt to concentrate a large number of investigators in those places where the public order situation so requires it, such as in Medellin.

The second decree establishes the guidelines that will determine a harsher punishment for any person within the country who is charged with intimidation of others because of their political views or beliefs. I will give you an example of persons who may suffer this type of intimidation: political party members; civic, church, or labor union leaders; and journalists. We have appointed 90 judges who specialize in the field of public order to investigate this kind of crime.

The procedures to be observed in these cases will be brief and swift. This will be done respecting the person's right to a defense. However, the ruling in these cases will be swift, and the Colombian people will be pleased with the quick and timely justice, particularly in those cases that have caused social alarm. The decree also establishes that once the investigation has been completed, the judges will send a report to the Superior District Penal Court. This court will then be responsible for publishing the report.

The courts must not only be careful, but also discreet concerning the lives of others who are involved, or not involved, in the case. The courts must also be careful when the case may affect public order or hinder the investigations under way. The decree also provides security and protection for the judges, and encourages witnesses and others who may have valuable information to inform the authorities.

Other guidelines are also being studied, such as a law banning private citizens from carrying specific types of weapons. This same law also establishes the punishment and a quick trial for anyone caught breaking this law.

I recently announced that more policemen have been deployed to the Medellin area, which was done to provide the people of Medellin with protection and tranquillity, and to accelerate the investigations into those outrageous crimes. We have already deployed a military police company and a police department squadron to the area — some 400 men in uniform. We have also sent judges and intelligence personnel to Medellin.

In addition, the Council of Ministers has ordered the appointment of a commission to study the financial situation of the justice sector and of the security and intelligence organizations, and establish their true needs. The commission will then present its recommendations and suggestions to the Council of Ministers. [passage omitted]

I call on the Colombian people to struggle for their future — our future and our children's future. I know that those who heed to this call will probably have to face some difficulties and make some sacrifice. However, I also know that they will have the satisfaction of being able to say that when they were needed, they did not turn away from the problems faced by our society.

To the people who may have information on criminal actions committed, I invite you to be brave and help the judges and investigation squads indentify those reponsible for the crimes. Advise the authorities of all plans for

future crimes. Act with courage, but be prudent when you see a crime being committed.

To the family, friends, and companeros of all the victims, please accept my most heartfelt sympathy. Rest assured that my government will do all in its power to make sure that those crimes are punished. However, we must all refrain from promoting retaliatory and protest actions that are accompanied by violence. This will only worsen the serious situation we are enduring.

To the masterminds and accomplices of all these crimes: You are hereby advised that you will have to answer for your crimes. You will have to face the courts that have been strengthened, and will continue to be strengthened, by measures adopted by the government.

To the people in general, I urge you to use the available channels to resolve your differences and problems. I know many of those channels are not perfect and are often very closed and frustrating; however, I am sure that they are a better alternative to the use of violence.

I invite community leaders to put forth your best efforts to find efficient and realistic ways to handle this situation and avoid the path that leads to pessimism and inefficiency. Do not discredit the state's institutions and instruments that have to stop crime.

These are the responsibilities of the Colombian people, and this has been my patriotic appeal. I hereby order the country's authorities to do their duty, and I am not only speaking to the judges and persons responsible for the investigation of crimes. You must participate, without fear or indulgence, in the battle against crime and in the historic task for reconciliation, harmony, and social justice. All this must be done within the framework of the Constitution and the laws. [passage omitted]

Londono Says Tension 'Decreasing'
PA311527 Bogota Cadena Radial Super in Spanish 1730 GMT 29 Aug 87

[Text] Colombian Foreign Minister Julio Londono Paredes said that tensions with Venezuela have been decreasing, but the possibility of conflict still remains. The foreign minister added that the situation is most sensitive at the border, and is more demanding for the military authorities because of the continuing deportations by Venezuela. Colombia has been tolerating this situation with due respect for Venezuela, but it has not forsaken the principles of protection that must rule over border towns, the high-ranking offical concluded.

New ELN Splinter Group Emerges
PA311904 Bogota EL TIEMPO in Spanish 25 Aug 87 p 2-a

[Article by Pablo Emilio Guarin]

[Text] Puerto Boyaca, 24 Aug — A new subversive group, apparently a splinter of the National Liberation Army (ELN), has announced its emergence in Middle Magdalena, Antioquia.

In a communique, the new organization identifies itself as the Militarist Nucleus of the ELN (NM-ELN). It claimed responsibility for the murder of Patriotic Union Alternate Senator Pedro Luis Valencia and an unsuccessful attempt against Sofronio Hernandez, Antioquia deputy of the same party.

Paraguay

Resolution Banning EL PUEBLO Released
PY290032 Asuncion Radio Caritas in Spanish 2220 GMT 28 Aug 87

[Text] The Interior Ministry has issued a resolution banning publication of the PFR [Revolutionary Febrerista Party] official weekly EL PUEBLO. The publisher of the weekly has released the resolution it received from the Interior Ministry.

Jose Maria Troche of MGB Publishing House has made public the Interior Ministry resolution:

[Begin Troche recording] The number of the Resolution is 643, a number that can be jotted down by those who play the numbers game quiniela in order to try their luck. The date is 28 August 1987, and the resolution reads as follows:

In consideration of Article 72 of the National Constitution, which guarantees freedom of expression and information without previous censorship, subject to restrictions set forth in Article 71 of the National Constitution, which specifically states that incitement to hatred among Paraguayans, class struggle, and promotion of crime and violence will not be permitted; and that no one will be allowed to encourage disobedience of the laws;

In consideration of Article 50 of the National Constitution, which makes the state responsible for protecting the security and reputation of the individual;

Considering that lately, the weekly EL PUEBLO, official publication of the PRF, has systematically violated the provisions of Article 71 of the National Constitution, with the obvious purpose of subverting public order, tranquillity, and peace in the Republic, thus endangering the stability of the democratic institutions by misrepresenting the real situation of the country through biased information about the honor and reputation of the legitimately established authorities;

Considering that EL PUEBLO has thus revealed the sinister purpose of spreading among the population distrust of the national authorities, both civilian and military, who are continuously attacked in improper, offensive, and insulting language, thus creating a state of social confusion, unrest, and alarm intended to disturb the legal order of the Republic;

Considering that the state is empowered to exercise the obligations and authority vested in it by the National Constitution in order to adopt measures to prevent acts

that are expressly forbidden by Article 71 of the National Constitution and that can create alarm and confusion among the population, the Interior Ministry, by force of Article 45 of the National Constitution and Decree-law 17511 of 22 January 1947 approved by Law 9 of 22 July 1948, resolves:

First: To suspend for an indefinite period of time the printing and distribution of the weekly EL PUEBLO, official publication of the PRF.

Second: To communicate this resolution to the affected parties for compliance.

Signed by Sabino Augusto Montanaro, interior minister; Ricardo Brugada Loizaga, secretary general of the Interior Ministry. [end recording]

Jose Maria Troche of the MGB Publishing House has just read the Interior Ministry resolution.

Permission To Publish Denied

PY290310 Asuncion Radio Caritas in Spanish 2300 GMT 28 Aug 87

[Excerpt] [Passage omitted] A note from the Interior Ministry addressed to Humberto Rubin, director of Radio Nanduti, reads as follows: Complying with instructions I have received, I am replying to your note of 11 August 1987 submitted to this Ministry on 26 August, in which you request permission to publish a weekly with the name HOJA DEL DOMINGO [Sunday Page]. This Ministry has resolved not to grant that permission.

Truly yours, Dario Filartiga, undersecretary of state.

Another note from the Interior Ministry addressed to Dr Fernando Vera, president of the Febrerista Revolutionary Party, states:

Complying with instructions I have received, I am letting you know that the civic assemblies will no longer be permitted in order to ensure public order, tranquillity of the population, and the normal circulation of vehicles and people on public thoroughfares.

Dario Filartiga, undersecretary of Interior Ministry.

Opposition Leaders Hold Rally

PA292033 Paris AFP in Spanish 1902 GMT 29 Aug 87

[Text] Asuncion, 29 Aug (AFP) — With slogans and little songs such as "The Military Dictatorship Is Going To End" and "A People United Will Never Be Defeated," some 200 opponents of General Alfredo Stroessner's regime evaded the strict police surveillance in Asuncion and carried out a "lightning-quick" antigovernment demonstration today.

Policemen and paramilitary men were stationed in downtown Asuncion and along almost the entire stretch between Asuncion and the neighboring city of San Lorenzo (about 14 km from Asuncion) since early this morning. The police forces tried to prevent the announced demonstration, which is part of the program of mobilizations called "civic assemblies."

However, under persistent rain, members of the opposition, led by brothers Miguel Abdon and Hermes Rafael Saguier, unexpectedly stationed themselves in front of the National School in Asuncion — a less-guarded place on busy Eusebio Ayala Avenue — and began to shout and sing anti-Stroessner slogans.

Witnesses located near that area confirmed that the demonstrators blocked traffic on one of the streets and instead of protesting, drivers greeted them by honking their horns.

Noticing that policemen were hurriedly arriving at the site of the demonstration from other surveillance posts, the younger demonstrators shouted: "The police have two options: be with the people or be their murderers."

Despite the presence of the police forces, which were still fewer in number, the political leaders began a 20-minute ceremony, in which Christian Democratic leader Luis Alfonso Resck, Hector Lacognata of the Democratic Popular Movement (MDP), and Miguel Abdon Saguier of the Authentic Radical Liberal Party (PLRA) spoke.

When more policemen arrived at the site, people broke up in disorder and according to some witnesses, the Saguier brothers were arrested.

National Pact spokesmen revealed that at least 10 opposition leaders were arrested. No more information was received.

Before seeking refuge, Miguel Saguier told the crowd that "the people's will to be free" had allowed the success of the meeting and the "mocking" of the "dictatorship forces," refering to the police.

Mario Almada, leader of the ruling Colorado Party, who arrived late at the site of the demonstrations with approximately 20 civilians, told the Catholic radio station Caritas that his intention was to "club" the opposition demonstrators.

After describing priests and bishops as "bandits wearing cassocks," Almada accused them of "complicity" with the opposition.

Similarly, Almada described the Saguier brothers as communists, and the weekly opposition paper EL PUEBLO, which was closed by the government yesterday, as "dirty and filthy." In addition, he reiterated that "if people want trouble, the police will give them trouble. We will club them on the streets and will expel them from this country."

Police Chief Justifies Strong Action

PY310028 Asuncion HOY in Spanish 30 Aug 87 p 12

[Text] Police Chief Division General Francisco Alcibiades Britez Borges, today will deliver a speech on police day and the day of their protector Santa Rosa de

Lima. The message will be delivered as part of the day's celebrations. The main ceremonies will be held at the police central headquarters beginning at 0630.

The police chief's message says: "We are aware that we are going through hard, delicate times. Our mission, and our oath to preserve law and order have made us the main enemies of antisocials, subversives, and cheap political speculators of all sorts, who have said to all the mass media that the police act arbitrarily whenever they fulfill their duty."

The message adds that "the national and international mass media have demanded sanctions for allegedly violent police actions. These actions are nothing more than our discharging of our duties with the maximum effort of tolerance and respect for human rights, even in the case of those who instigate revolution, agitation, and violence."

"Those elements, who are doing all in their power to destroy the institutional foundations of our Republic and to hinder the work of a legitimate government — a government backed by the people's will and the Constitution — have resorted to all sorts of action, ranging from provocation to the use of Marxist language, in which all police action is termed 'state terrorism.' This is an astonishingly false position, because the terrorist ideas or actions will never be promoted by the institutions that defend the law, but by the groups that seek to replace them through violence, installing a totalitarian system of the Nicaraguan type, wiping out all the people's democratic achievements."

The message adds that "the police are not the enemies of democracy, but they will always be the irreversible enemy of those who seek to use democracy to undermine its institutions. As for the charges of alleged violence that have been leveled by local and international mass media, they are charges that have maliciously and deliberately mistaken an action staged with violence for an action staged with energy. To act with violence means to make the necessary use of the authority and the powers the law has bestowed upon us."

The police chief recommends that "no Paraguayan policemen should let this corrosive propaganda soften them nor should they be confused by the demagogy of those who promote disinformation. If we dress in uniform it is because we feel we are soldiers, and if we feel we are soldiers we cannot tolerate softness, cowardliness, and weakness. If the law and our devotion to duty ask us to act strongly, let us then act strongly; if we have to act with energy, let us act with energy. Whoever hesitates and fears to discharge his duty does not deserve the uniform," the message concludes.

Peru

Garcia Discusses Bank Nationalization

PA272345 Lima Television Peruana in Spanish 0205 GMT 27 Aug 87

[Speech by Peruvian President Alan Garcia in Lima's Rimac District — live]

[Text] Fellow citizens: [applause, cheers] Fellow citizens, companeros, people of Rimac: I have come today to this 100-year-old district, which has existed since the Republic was founded, to continue my talks with the people and companeros in all Lima districts. In this huge crowd, brought together not through a television or newspaper ad but only through the personal and individual will of each Rimac resident, I have encountered the consistent and loyal expression of the masses and crowds, of a people who want revolution and change. [applause, cheers, chants of "Alan Garcia, the people trust you"]

During the past 30 days, I have been carrying out in various towns and districts a permanent campaign for a proposal presented to the national congress and the country.

This proposal would change the country's course and destination and would reaffirm the principles of social justice and of a deep change in our economy. During the past 30 days, I have been explaining on streets and squares, on television, and every time I have had a chance the true objectives of this planned bank nationalization. Also during the past 30 days, the Peruvian people have been pressured, through publicity and arguments, by those who demonstrate the huge economic power and political influence they enjoy. In this struggle, this democratic and national debate, which resembles a war to end all wars because of its duration, I have come to confirm to you [cheers, applause] and tell all of you that in this long struggle I am tempering my own spirit and that of the people, both so we will not step backward and to reaffirm principles of social justice. [cheers, applause] When I ended the elections campaign in Rimac, on the nearby avenue and with my back turned to San Lazaro, I maintained there was a need for a nationalist, democratic, and popular government. I also maintained, as the campaign's basic theme, that democracy begins with the poorest. I maintained it is impossible to have a government without a deep change, without concerning overcoming inequalities, or without ending the great injustices and concentration of economic power. When I proposed to the people and the sovereign congress that they assume control of and nationalize banks, I did so because this large national system was the instrument of four powerful economic groups that held the nation's wealth and economic power using the banks as a funnel to grasp someone else's money, manipulate it for profit, and dominate the small- and medium-size economy and all Peruvian businessmen. In response to my proposal, I was called names and was insulted. In response to my proposal, I heard many arguments, which, like a rising balloon, will disappear by themselves. [applause, cheers] Like balloons lifted by a little fuel that is burned and gives off heat, the publicity campaigns, arguments, and the people who now speak are surely fed by another kind of fuel, also temporary. They will keep silent when all this passes. [applause, cheers] Nevertheless, I have come to the people of Rimac, not as an agitator who elicits passion or momentary emotions with words, but to fulfill the educational mission politics must carry out. I do not want to come to

my fellow citizens to gather applause, because candidates and those who seek votes can well receive applause. I have come to awaken your consciences, understanding, and thoughts so you can join me in convincing all Peruvians. In this way, those who have listened to those who preach fear can understand I am not moved by hatred, revenge, or resentment but by a sense of justice and by the need for a social change fundamental for our country. For this reason, all of you, men and women, young and old, should know I have come to hold an essentially rational dialogue based on logic. Let those who want to be candidates, who want to win votes, or who covet high positions arouse feelings and passions and seek to reach higher positions through the waves of passion.

We must be prudent and have the serenity that analysis and reason provide. We can have that serenity, because we hold power, and because we must use that power prudently and firmly to make changes without going to extremes or falling into immature confusion. We must reassert our status of a conscious and thinking people.

In these assemblies, no one sees a passionate or loud mob. In these assemblies, everyone must recognize the appearance of a historic phase in which there is not one leader who speaks and a mass of people who listen and obey. Instead, everyone is part of a people making their way through history; all of us think, and there is not just one person who does all the thinking and speaking.

Therefore, following Haya de la Torre's ideology, which described democracy as bread with freedom, we proposed that revolutionary measure, which clashes with the greatest historical, wealth, and power interests within democracy. We proposed that measure knowing the reply and arguments by prominent figures would be enormous, overwhelming, and public. However, we proposed that measure so that the debate would educate our people.

I have come here to tell you that revolutions that lack the people's support and governments that lack freedom and call themselves leftist are good for nothing, because only freedom of speech, of reply, of opinion, and of election allow the people's participation. Only the right to listen to what others say — even if we do not believe them — allows people to choose. Only those who choose are able to think. Only those who think have awareness, and only those who have awareness can make history. I want my people to think and have awareness to build Peru's history. [applause]

That is why I continue with these assemblies, exercising the fullest and most absolute democracy Peru has ever experienced. We are exercising the most complete freedom of speech Peru has ever experienced. In this democracy, although we are the majority of the people, we are a minority in the newspaper reports and an absolute minority in radio news reports. But we have a very important factor in our favor. We hold the truth, and despite other peoples' comments, the truth will win; it will not take a single step backward.

That is why I visit towns and go out on the streets to talk to all Peruvian citizens. That is why I am not tired of explaining and repeating things. It is my duty. Mercenaries and hired guns, who receive money to explain or defend things, get tired. Those who explain or defend things with faith and conviction can never get tired. Those who are paid to do such things get tired. Those who do things out of envy or personal interests get tired. He who already holds power but feels it is his duty to preach his faith and take it to the most distant areas to share it with others so they can contribute to the revolution never gets tired. [applause, crowd chants slogans]

Therefore, I am interested in directly sharing this experience of power and government with you all. This experience is new for me as well. I am not a veteran administrator. I must share my experiences with you and point out that this struggle for change and for the elimination of great inequalities, and of centralization in Lima is carried out in absolute freedom, because we trust the people's awareness and their capacity to understand and undertake this struggle.

We carry out this struggle without hatred or resentment. We conduct this struggle within the most absolute democracy. Today, for example, I went to greet the Republic's comptroller general. He was appointed by the former government 7 years ago. He has a political affiliation different from ours. Today he completed his 7 years in office, as mandated by the Constitution. The comptroller general is in charge of supervising the government's economic activities, the other state branches, and the handling of society's resources; in other words, he is highly important and significant.

I went to the comptroller general's office to greet him on behalf of all the people after 7 years in office. I went there, regardless of political differences, to tell him we are grateful for his work. While in his office, I said that I, the president, cannot appoint the new comptroller general. The Constitution empowers me to propose a new comptroller general. Yet, how would I designate the person who will keep an eye on the government? How could I appoint the persons who will keep an eye on me, my ministers, and the presidents of corporations and enterprises? It appears much more democratic to me to be in the high position of he who owes or fears nothing and tell the opposition: You, men and parties of the opposition, appoint the new comptroller general, because we have nothing to conceal. [applause]

To me, this is the essence of democracy, the ability to convince, to be able to appeal to the people conscientiously, not by taking advantage of momentary emotions. This is for me the meaning of democratic education. If someone has to keep an eye on the government's economic actions, let the opposition do it.

They are there. Today, I proposed to important political leaders: Give me the names of candidates who could be comptroller general. If you can agree on one person, I congratulate you.

Here we will give all of Peru a clear and complete lesson on what we think democracy is and what the Peruvian Government wants to share with all the Peruvian people. [applause]

Fellow citizens: It looks like these microphones and equipment are from the last government. [shouting] It does not matter, if you keep quiet you will be able to hear me.

We have proposed an economic and social model that is revolutionary in Peru's history. We have proposed to make Peru freer from the economic power of other countries and of international banks. We have proposed to develop national resources, thus promoting production and industrial growth.

We have said that this growth benefits not only small groups but the majority of people. We want Peru to recover its proud and historic identity.

We made all these proposals while advocating a nationalist, democratic, and popular government. For the past 2 years we have been the only country that has not paid its foreign debt and that has told private foreign banks that as long as there is an economic crisis in Peru we will not pay unjust debts.

In Peru we have instituted a different economic model. We have found a country going through a dramatic and historic crisis. We found a country where factory machines were either paralyzed or barely functioning. We found much unemployment and low purchasing power. We began working to improve purchasing power, to increase in 2 years the minimum wage from 300,000 soles to 1,700,000 soles so that poorer people would have greater purchasing power. We began directly giving resources to peasant communities. This was the first time in history that this was done.

We began creating temporary jobs for the unemployed and abandoned mothers. As a result of the increase in consumption, we were able to have factories working more. This is why in 1986 alone, Peru grew more than it had in the past 25 years. Peru grew by 8.5 percent. This is more than in the past 25 years. We hope that by maintaining this model Peru will grow more than 7 percent this year.

In the past, Peru was growing at a rate of 2 or 3 percent but since the population was growing at a rate of 3 percent, we lived at the same level of misery.

Last year we grew 8 percent. This year we plan to grow 7 percent more, thus permitting the people to have more wealth.

In these past 2 years we have been able to reactivate Peru's industrial economy by somewhat increasing the purchasing power of the poorest people.

However, we have two problems we have to face. When the demand — that is, the purchasing power of the people — grows, factory production grows and the economy is reactivated, and the revenues of the industrialists increase because they sell more. We say that they must invest their revenues in the country, and create new factories, new jobs, and increase material production.

What problem have we faced? We increased demand and production grew. The industrialists had more revenues, but some of them, instead of investing in new factories and machines, began to take their money away and bought dollars on the black market from drug traffickers in Ocona.

The other problem was that Peru was growing but it was growing with the traditional injustices, with the inequalities that had existed throughout Peru's republican history. We had two problems. One was the problem of industrialists who instead of investing took the money out of the country. We countered this by prohibiting the unofficial sale of dollars in the country, by closing the Ocona black market, and by having the state control dollars so that they cannot be bought by people who make their revenues in Peru and then take dollars abroad, thus taking away Peru's wealth and Peruvians' hopes. [applause]

We had another important problem. Peru was growing by 8 percent, and this year it will grow another 7 percent, but Peru was growing with the same inequalities as always. For the poor, growth meant a shirt, a pair of shoes, and an additional portion of food. For the very rich it meant an additional bank and five more large factories.

If Peru grows this way, social inequalities will grow proportionately. If Peru grows without domestic justice, the rich will grow richer and the poor will have a somewhat higher standard of living but huge inequalities will continue.

Our party, this government, and this people want a change. They do not only want economic growth. They want a domestic and social revolution with liberty and democracy. They want a change and justice.

The government's problem is not only making the economy grow. The economy is only part of the government. We also have to reduce differences and inequalities. We have to regionalize the country so there is no centralization in Lima. We also have to promote education so we can be less individualistic. The government is all that.

We have said that if Peru is concerned only with growing economically, differences will continue, and injustice will prevail. Where is injustice centered? We have wondered about this, and we have concluded it is in the banks. It is in the banks because each of the huge national banks is owned by a powerful and rich, very rich, group of enterprises that use the banks for their own benefit — as a tool to control society. It is in the banks where inequality exists. It is in the banks where the modern tools of social injustice and domination are.

I have explained that in the past it was feudal landowners who had huge estates, and peasants and serfs worked for them.

The feudal lords were a caste who lived without working the land while making their serfs work the large estates. The same thing happened after land reform was implemented. New lords emerged using banks as a financial estate. Banks are a sort of financial feudalism with which they control the economy and the businessmen who ask for credit. Banks are used as a huge funnel through which everyone's savings pass to be used for the benefit of the bankers' businesses. For that reason, very powerful enterprises emerged around each bank in Lima. These enterprises had credit. They could make transactions with each other. They were interconnected. All those enterprises had the same names in their boards of directors. The same names appeared in the Central Bank and in each of the banks that made up the heart of the powerful empires.

We said: If we want justice, if we want to eliminate the great differences in Peru, let us start by preventing the use of banks as instruments of social control. A bank owner is very different from an industrialist. The small, medium, or large industrialist produces tangible assets. He makes skirts. He makes shoes, He makes fishmeal. He fixes cars. He produces tangible assets. That industralist produces. However, the banker who sits in his office waiting to receive the people's savings, gets the savings of the people. Then, he lends it, earning interest. He does not produce tangible assets. That is a speculative, unproductive, and parasitic activity. Credit activities, therefore, served to benefit and strengthen huge business groups. That is why we have decided to nationalize all those banks. [applause]

For that reason, it is important that all of you share my view. The industrialist who produces and creates tangible assets, thereby employing other Peruvians and exporting to get us foreign exchange and currency, is one thing. Someone earning interest that is simply the result of unproductive money, while not producting tangible assets, is another matter. The banker is served the Peruvians' savings at his table. He pays 20-percent interest to everyone depositing his savings. Then, the banker lends these savings to others at 40-percent interest. That difference between 20 and 40 percent is his profit, and yet this money does not produce tangible assets.

It is acceptable for the artisan, the person who owns a workshop, the manufacturer, or the industrialist to earn profits and invest in Peru. It is not acceptable that up to now, and I hope this will never happen again, there are some who just receive others' money and earn profits thanks to the control this money gives them.

Therefore, banks constitute financial feudalism. Banks are responsible for nurturing huge enterprises. Banks are responsible for controlling the poor who do not have credit and never get it or the industrialist who is asked to place his factory and life as collateral. We have said: Those banks, those four powerful banks, are the expression of financial oligarchy. They are the expression of injustice. They are the expression of Lima's centralization, which smothers the provinces. Let us change all that. The first step is the nationalization of those centralist and oligarchic banks. [Applause]

But this is only the first step, because we need to transform the credit system. We need to decentralize the credit system. We need to democratize the credit system. That is why the first step is the nationalization of the oligarchic banks; the second step is the creation of the workers' banks, the regional banks.

The comrade senators have introduced a draft bill defending the Executive Branch's proposal. The draft bill contains something I think is very important. The comrade senators have proposed the creation of regional banks. What are regional banks? For example, Puno could be one region, with a government elected by Puno residents. The comrade senators are saying there can be regional banks that would only work inside Puno. The regional bank will be the institution in Puno that will receive the Puno residents' savings and lend to them. [applause]

In other words, the regional banks will not be oligarchic banks that take savings out of Puno to finance and support the economic empires of the Lima oligarchy. That small bank in Puno will have Puno residents as shareholders, according to the draft bill. This way, when the regional banks in Puno are created, rich Lima residents will not be able to move to Puno and claim they are Puno residents. [applause]

The concept of a regional bank therefore means the small bank in each region will operate only in that region. In addition, the state will participate to prevent any straying from the purpose for which the bank was created. The bank's shares must not be controlled by a few. This means that no one may own the entire bank. The draft bill presented in the Senate states that no one may be able to own more than one percent of the bank's capital and that the state will own 20 or 30 percent of the bank's capital. This means that in Puno, where there are no oligarchs, the residents can get together, organize their banks, become associated with the state, and create an institution to receive Puno's saving and to lend them in Puno. That bank would not belong to any large oligarch or support any major empire in Lima and centralize the economy even further. [Applause] I believe this concept of regional banking is the most important point in the 30 days of debates so far, because the national oligarchic and centralist banks will be nationalized. However, it will be necessary to create in each region — in Tumbes and Piura, which will be a region that wants to be called Grau Region; in Puno, by itself or if it merges with Tacna and Moquegua; in Arequipa; in Huancavelica and Ayacucho, which will become one region; in Lambayeque; in Cajamarca; and in Amazonas — in each one of those regions that have been neglected and abandoned, we will create regional governments elected by the people to manage their resources and revenues. The senators have established that banks can be opened there with the state's participation, but provided they work only in each region. That is, money from the region must be

reused, thus strengthening the region's development. A few days ago, Comrade Negreiros called this regional banking the bank of the unique front [banca del frente unico], because the people's state will be associated with the residents from each of those neglected departments and provinces.

The state will be associated with 100 or 200 Puno people who want to create a bank, and we will create a bank that will not serve the transnational or oligarchic interest of the huge national banks. Rather, it will serve Puno people; it will result in progress for Puno's middle-class and in further growth in the region. [applause]

Therefore, the problem is not merely nationalizing the huge oligarchic banks, because we would still have the same centralist and national banks. We must create institutions for the regions' development, because this is our government's main objective. Peru's great social change lies in regionalization. We have had centralization in Lima since the conquistadors. The entire economy and the political power were in Lima. We are now going against that trend, and we will create 12 or 13 regions in the country. However, it will be necessary to train the people in each region and get the middle-class to participate, along with the small- and medium-size producers. The oligarchic banks in alliance with the transnational banks are a different matter. Those huge oligarchic banks serving as pivot for the huge enterprises controlling the country are one thing, and the small Puno regional banks are another, which I am sure will be the great impetus for regional and social development in Peru's future. [applause]

This is the Peruvian financial revolution: To leave behind the oligarchic and centralist banking to create with the Peruvian people, the state, and the regional governments — the decentralized banks, the banks of the needy, the people's banks, which are banks that will not obey the rich.

I have thought a lot about all these subjects. Some people told me: A bank may be created in Puno in which the state will be represented, but it may also have oligarchs. I responded: There have never been oligarchs in Puno because the first oligarchic power is the centralist power, in alliance with foreigners, which turned our country into a servant of international interests and turned a small Lima minority into the managers of our entire national destiny.

Therefore, the first step is to nationalize the oligarchic banks. However, we will not stop there; that is the first step. Those banks must be changed by creating a regional banking system. When people in each region choose their own government and manage their own revenues, then people in each region will also hold in their hands their popular, decentralized, democratic, and renewed credit. [applause]

Therefore, compatriots and companeros, we are creating a revolution. We are changing Peru's economic and social structures into a democracy. Others in Peru have wanted to do it, but they made the serious mistake of starting with a coup d'etat. Thus, we maintain there is no revolution without a democracy and the people's participation through elections. Participation is not applause won by a dictator; it is the people's conscious selection, democracy, and freedom of the press that permit people to think, choose, and select arguments.

I would not be satisfied and calm if I were the only one speaking, because I would never know if my statements were wrong or right or if people were applauding me because I was the only one speaking. I need others to talk so Peruvians will truly applaud me. [applause]

Compatriots and companeros, this measure is obviously facing the largest and oldest interest. Not even the agrarian reform has had the intensity of this measure.

Let me explain. By the time the agrarian reform was effected, owing land no longer meant power. Power was in industry and was beginning to rest in the Lima banks. In other words, the owners of large estates and those who had become wealthy landowners were already a second-rate wealthy class. It was easy to effect an agrarian reform, much more so without freedom of the press. Nobody said a word. In 1969, the wealthy landowners no longer were the richest Peruvians. I know of companeros, fellow party members, who owned 3,000 hectares of barren hills in Cuzco. Although the land was barren, the agrarian reform expropriated it. They had 3,000 hectares of hills where peasants lived, yet the owners of these hills appeared to be owners of a large estate. Yet they had less money than the lowliest of employees because these hills produced nothing.

Because of all this, the wealthy landowners were already a second-rate wealthy class in 1969. The true rich were to be found in the Lima industries and were beginning to establish their powerful banks to start controlling everything from Lima. Wealth already had moved from the land to the Lima banks. The agrarian reform was effected without any newspapers to argue with the government. We are in the process of creating a revolution much more profound than the agrarian reform, because we have touched upon the biggest interests in the national economy. We are not dealing with second-rate interests. We are not dealing with a second-rate wealthy class. We are not dealing with the industrialists who manufacture goods. We support them. We have penetrated the heart of empires. We have dealt with the core of injustice and problems. We have dealt with the speculators of someone else's money. We have dealt with the wealthiest Peruvians. [Applause, cheers] In addition, we have made this move doubly revolutionary, because we create this revolution by touching the heart of the wealthiest. Yet we do it in absolute freedom. No newspaper, magazine, telvision channel, or radio station can say rightfully that the government pressured, silenced, gagged, or closed it. We will never do a thing like that, because this is the opportunity they are waiting for to portray revolution as a dictatorship. This is the little trap they want us to trip to portray social revolution as

totalitarianism. We will not. [applause, cheers] They set these political traps, like bait, for us. We are insulted, attacked, outraged, and offended. Yet we say: Go on speaking. Here is Television Channel 7 for you to speak up if you lack money to speak through other channels, which I do not think is the case. Here are all of the streets and squares to be used. We could even print, free of charge, books and documents written previously. We want all to know and listen. [cheers, applause] The important thing is to create a revolution in absolute democracy. In this way, revolution is doubly revolutionary, so to speak. In this way, its merits will be greater. In this century and throughout the world, even in Peru, some governments have tried to create revolutions after a coup, without a parliament, trade unions, elected municipalities, or freedom of the press, thus silencing the entire country and gagging all those who think differently from government officials. It is easy to do things that way, but there is no merit. Merit lies in doing things like this, face to face with the people, before television cameras and the country. [applause, cheers] He who is afraid of not possessing truth uses force. He who is afraid of the other man's intelligence uses force.

Of course, some of my fellow citizens and companeros with bad habits have suggested to me: Companero, the best thing would be to use a stick. [laughs] I said no, because a stick is a weapon of brute force. A stick is a weapon of those who have no ideas. I have very good ideas to win over not only those who speak now, but also many others. [laughs, applause, cheers] They would like to be able to say: We are the intelligent opposition, while the government uses the brute force of tanks and rifles and closes newspapers. We never fall into that trap. We will give them every opportunity to speak, write, and argue. Never before has a president gone out onto the streets like this. We will give them every opportunity to speak up. I ask the people to listen to what the opposition has to say. As the president, I ask the people, however [applause, cheers] — I mean the conscientious and intelligent people, not those who let themselves be carried away by momentary emotions, but the serious people who come to listen rather than to shout — to listen to the arguments of the opposition. I ask the people, however, to be ready to reply to those arguments. In democracy, arguments are not defended with shouts or blows. I tell you here that it is not with shouts that a revolution is created. It is created with firmness and by a government that stays in power, prudently, yet with revolutionary firmness. [shouts, applause, cheers] When a person must govern, lead a historic movement, and create a profound revolution, he must be wiser and calmer than the rest. That person can never afford to let himself be carried way by the people's shouts. The leader who lets himself be pushed and carried away by the crowd is not a leader. He is no longer a commander but is commanded by the crowd's emotions. I will never be commanded except by the doctrinal philosophy of the revolution. [shouts, applause, sheers] For this reason, we do all this in absolute democracy. Here we are before the Peruvian people. I know the Peruvian people are alarmed at the news from the radio and television stations and newspapers. The people read the headlines with alarm. Yet the people have faith and common sense. All this is passing news. We are dealing with four, only four, bankers. Peru has 20 million inhabitants. What happens to four bankers is noisy, hurts them very much, and can make large headlines, but it cannot alter the course, the movement, and the historic path of 20 million Peruvians. [shouts, applause, cheers]

We will therefore win this difficult game of democracy with ideas, conscience, arguments, and intelligence, because this is not the game of sacrificing people to the adventure of a revolution that ends in bloodshed and a dictatorship. Rather, this revolution is leading a conscious people to change their ideas, their passions, and their economy and to become educated by respectfully listening to all and by teaching others by passing on their thoughts and the knowledge they received.

We all have an obligation not only to come here to listen but also to speak and make others listen to us. We must pass on to other Peruvians everything we think, read, and believe. Those who hear something and keep it for themselves are selfish, individualistic, and egoistic. Good citizens, good democrats use their beliefs to convince, persuade, and convey — as some sort of energy or intelligent power — all of their arguments. Not one of the citizens gathered here who believes what I am saying should rest until he has passed on what he has heard here. No one can be a politician or can be conscious unless he contributes to the historic cause of politics and conscience.

Please go ahead and preach, speak, and make people listen to you. Each one of you should become a leader and be a leader of minds in your home, in shops, and at the university. Become great and noble by teaching others; become generous by teaching lessons. Do not keep anything to yourselves; do not become bankers of ideas, pass them on to the people who truly need them. [applause]

Thus, this is how we have responded to all arguments that have been presented...they, way up there with their money, we, down here with our ideas. They, who are four, we, who are millions. They make fortunes, we make history. They have economic power, we have the power of our faith.

This month I have visited much of our fatherland, and have seen the fears of many people. Sometimes they have sound concerns, sometimes, they have unhealthy fears. I have seen expressions of affection, and I have been concerned when I see how fears make people shy away, and how the original faith makes some people come back with their support. I was really touched by that, but this also taught me more about Peru. Nevertheless, I want to tell you that I am sure that those who are leaving are those who were always on top, or near the top; at lounges and cocktail parties. Those who are staying with me are the plain people, the poor, the masses, and the producers. [applause]

As the president of this educated people, of this civilized democracy, I feel very pleased, because this is the only country that raised the banner against the world banks. Our decision is now being followed by other nations who did not believe in us. I am very pleased because abroad people know that everyone here has the right to talk. I am not speaking from my presidential office, I am speaking in the streets because I do not fear people, as others do. I believe that the best indentification one could have is to be near the people. Therefore, everything we do is inspired by freedom and democracy, without the fears dictatorships have.

A few days ago, during a big rally, I heard people saying that the idea to nationalize banks was not an Aprist measure, that APRA [American Popular Revolutionary Alliance] had a different political stance. That is not true. APRA is a great movement, and a great historical crusade for justice, the needy, the masses, nationalism, and the producers. It is a class alliance for national production. It is not an alliance of speculative parasitism and the concentration of money. APRA does not favor those who exchange dollars to take them abroad. APRA is the government of the middle class, the peasants, workers, the needy, and we do not need formulas or examples from other governments that do not have this fundamental element: democracy. Since 1930, when he arrived in Peru, Haya de la Torre said: We support neither European fascism nor Asiatic communism; we favor a philosophy of revolutionary freedom. Freedom cannot be used as an argument to maintain privileges and inequalities, or to maintain despotism. Freedom must have justice. It must be revolutionary and bring about changes. Slaves and the poor have been asking for freedom to change the world.

Freedom thus creates change, and there cannot be change without freedom, because change should affect spirits, not only the country's economy. The economy is what lies on the surface, what everybody can see: cement houses and asphalt highways. That is the economy. The spirit is something impalpable but much more important. A revolution must take place in the spirit of the people. A revolution will take place in all of us when we stop being selfish and thinking as bankers, although we are needy.

I perceive and feel that struggle inside each of the people who are here. It is the struggle between the banker we have hidden within ourselves and the democratic revolutionary we would all like to be. Before any external victories, we must win the struggle within ourselves. We must think deeply and reassert ourselves as revolutionaries in our daily actions and activities by teaching and sharing with others.

That is not only a Christian philosophy. It is the ideology of an old revolutionary party that became stronger through its struggle, long wait, and patience. That party waited 60 years without hatred. Here I am, 60 years later.

They did not let Haya de la Torre be. I am not here to take revenge or get even, because we do not feel hatred or resentment. We only want justice for the people — not for us but for the national majorities — and with them build our new destiny. [applause, crowd chants slogans]

When ideas are explained without hatred, animosity, verbal violence, and insulting phrases, the opponent listens to them. These who defend their own interests are more frightened. Those who defend their four banks would like to see the president as an inflamed leader promoting passions and emotions to see if all this crumbles and falls to pieces. They are much more afraid of a calm and firm president who does not agree with dictatorships or totalitarianism.

I remember that when the military government ruled Peru and I was abroad, I received newspaper clippings on the nationalization of a bank named Banco Popular, whose owner, Mr Prado, was much less powerful than the owners of the current banks. However, that Mr Prado, who was always an APRA opponent and was almost 80, was humiliated, handcuffed, and taken coughing and lying on a stretcher to a court in which judges appointed by the then government conducted preliminary investigations of him. I wonder why those who claim to defend freedom and people's dignity did not go out to San Martin Square then. [applause, crowd chants slogans]

The greatness of a party or government is larger when it acknowledges and respects the dignity of the defeated opponent.

When I received those newspaper clippings while living in France, I was ashamed, because an old man, a defeated man, someone who no longer has the power of his money, cannot be affronted and humiliated. The more power one holds, the more generous and great one should be, because if not, one does not deserve to hold power. When I saw the pictures of an 80-year-old man with a white beard answering questions in a court that was praised by newspapers that today speak about freedom and were once confiscated and controlled by the then government, which some of them praised, I knew that was not the path to follow. The path cannot be hatred, humiliation of the opponent, or affronts and insults against those who are in front of the worthy and intelligent people of this country.

The path is to win firmly, intelligently, and with the awareness of the majorities. That is what I am doing by talking to the Peruvian people. [applause] However, to be generous, calm, and great goes along with being firm, having conviction, and carrying out a revolution. Being calm does not imply weakness. On the contrary, those who yell and become inflamed with passion are weak, because that momentary excitement soon ends. The calm one maintains his firmness. I do not need you to give me applause or emotions. I need you to give me serenity, strength, awareness, support, and the certainty that all of what you hear me say here is then spoken and discussed before all other Peruvians to build the great crusade of the Peruvian revolutionary awareness. [applause, crowd chants slogans]

Long live the Rimac people. [crowd shouts "Long live"] Long live revolutionary Rimac. [crowd shouts "Long live"] Long live freedom. [crowd shouts "Long live"] Long live justice and people's democracy. [crowd shouts "Long live"] Long live Peru. [crowd shouts "Long live"]

Romero Resigns Over Nationalization
PA261630 Paris AFP in Spanish 1528 GMT 26 Aug 87

[Text] Lima, 26 Aug (AFP)—Government sources today confirmed that Manuel Romero Caro, Peruvian minister of Industry, Commerce, Tourism, and Integration, resigned over differences with the presidential draft bill to nationalize private banking.

The resignation, made after the Social Democratic [as published] President Alan Garcia announced his decision on 28 July, will become official after the new Prime Minister Senator Guillermo Larco Cox appears together with his cabinet before the National Congress tomorrow to present his work plans, as the Constitution demands.

According to sources, Garcia had asked Romero, an independent, to continue in the cabinet post until the new cabinet met before the parliament. It is not known who will be appointed to succeed Romero.

The resignation was also confirmed by an indiscretion of Agriculture and Nutrition Minister Remigio Morales Bermudez, who mentioned this to the local press yesterday while attending an extraordinary meeting of the cabinet at the government palace. Romero did not take part in this meeting.

It was learned that the outgoing minister felt that the expropriation of banks, and loan and insurance companies does away with the conciliation process of the past few years that was undertaken with private businesses to achieve greater productive investments to strengthen the economy.

State Enterprise President Killed
PA291450 Paris AFP in Spanish 1407 GMT 29 Aug 87

[Text] Lima, 29 Aug (AFP) — The police have confirmed that Rodrigo Franco Montes, president of the Peruvian National Enterprise for Industrial Marketing (ENCI), died this morning in a Lima clinic after having been seriously injured along with his three younger sons by alleged rebels when they were leaving their house in Nana, 25 km southeast of Lima.

An unidentified member of Franco's security guard was also killed in the attack.

Mass Grave Reported in Upper Huallaga
PY281841 Lima EL DIARIO DE MARKA in Spanish 27 Aug 87 p 3

[Excerpt] According to a statement yesterday by Popular Action [AP] Senator Gaston Acurio, the APRA [American Popular Revolutionary Alliance] government is intensifying the struggle against insurgency in the Upper Huallaga region. He was referring to the discovery of a mass grave where the remains of more than 50 people were found buried. The discovery was reported by a journalist 2 days ago in Leoncio Prado Province, Huanuco Department.

Gaston Acurio stressed that the discovery of other common graves in different areas of the country has become a common occurrence during the APRA regime. The remains found in the mass grave in Huallaga have not been identified yet. However, according to neighbors of the zone, the remains belong to simple peasants.

According to our sources, these peasants were allegedly murdered by Army personnel that were sent to the area by the APRA government to confront the communist grass roots of the guerrilla movement Shining Path, who have been controlling the Upper Huallaga region for the past 6 month.

Gaston Acurio also emphasized that only during the APRA regime have we witnessed this kind of atrocity. Similar things also happened with over 100 peasants in Acomarca, Ayacucho Department, in 1985. We recall that the mass grave was discovered 2 months after Alan Garcia took power.

Alan Garcia was later forced by public opinion to dismiss the political-military chief of Ayacucho and to immediately order an investigation into the massacre. However, no one has been punished, despite the strong evidence indicating that the culprits were members of the Navy.

Gaston Acurio reiterated that cases like the one in Acomarca have only been seen under APRA governments. He then emphasized that Peruvians have never seen genocide of the type that we witnessed at Lima prisons on 18-19 June 1986. Gaston Acurio said he was concerned for the safety of the reporter who discovered the mass grave in Huanuco Department. The reporter was allegedly arrested minutes after he reported the discovery to prevent him from publishing the details of the massacre. [passage omitted]

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